

DRAFT

CEMVR-PM-M (1105-20-10c)

22 June 1999

MEMORANDUM FOR RECORD

SUBJECT: Upper Mississippi River – Illinois Waterway System Navigation Study, Governors' Liaison Committee (GLC) Meeting, 18 May 1999

1. The subject meeting was held in Bloomington, Minnesota. A copy of the meeting agenda is enclosed (Enclosure 1). Mr. George (Dusty) Rhodes, Chief, Programs Execution Division, Mississippi Valley Division, U.S. Army Corps of Engineers (Corps), chaired the meeting. The individuals representing the five states are as follows:

Illinois	Gary Clark
Iowa	Jim Hall, Harold Hommes
Minnesota	Steve Johnson
Missouri	Jerry Vineyard
Wisconsin	Ellen Fisher, Michael Lester

2. Enclosure 2 is a complete list of meeting attendees.

3. Dusty Rhodes asked for any comments or questions on the minutes of the last GLC meeting held on 16 February 1999. One editorial change to the 2nd line of Paragraph 7 needed to be made, changing "model" to "modal." With this noted change, the 16 February 1999 meeting minutes were approved.

4. Gary Loss, Project Manager, gave an overall study status and update. Copies of his and the other team presentations are at Enclosure 3. Mr. Hall, Iowa Department of Transportation, asked if Inland Waterway Trust Fund availability was part of the formulation of alternative plans, particularly as it relates to larger capital expenditures affiliated with lock extensions or the combination of lock and guidewall extensions. Mr. Loss indicated that the formulation considers necessary funds are available, although a constrained funding scenario can be run if deemed appropriate. Chris Brescia, MARC 2000, noted that guidewall extensions on the Illinois Waterway were not on the list of alternative examples. Gary indicated that the list was not all-inclusive and other alternatives, including measures on the Illinois Waterway, would be run as part of the formulation efforts this year. Other discussion ensued to clarify information on delays and its sensitivity to model input and assumptions. Terry Moe, Wisconsin Department of Natural Resources, observed that the example information for the lock extension alternative indicated both greater traffic levels and delay reductions.

Mr. Loss worked through an example depicting a list of alternative plans and representative implementation costs and benefits associated with sample runs. The example demonstrated the concepts and meaning of net benefits and benefit-to-cost ratios and how they facilitate the plan formulation thought process. Mr. Brescia and Dan McGuiness, National Audubon Society, asked for clarification regarding system environmental impacts. Ken Barr, Environmental Team Leader, stated that system environmental consequence costs are factors in the plan formulation process and will include such items as plants, fish, mussels, habitat, and modal considerations, including fuel use and emissions, accidents and hazards, and limited terrestrial information. Mr. Loss, in addressing Mr. Moe's question regarding our comfort level with the construction cost estimates, stated that the study team is confident in the feasibility study cost estimates for the innovative lock designs in view of the Corps' multi-District efforts and the Regional Navigation Design Team.

DRAFT

CEMVR-PM-M

SUBJECT: Upper Mississippi River – Illinois Waterway System Navigation Study, Governors' Liaison Committee (GLC) Meeting, 18 May 1999

5. Rich Manguno, Economics Team Leader, gave a status of Economic Work Group efforts since the February GLC meeting. The focus of the efforts has been on refining our understanding of demand curves and elasticities of those commodities which move within the study area. The elasticity is defined as the percent change in quantity of a commodity divided by the percent change in price for transportation. As a result of these further efforts, the study team is utilizing commodity-specific elasticity values for the non-grain commodities from work performed by Dr. Mark Burton, Marshall University. In turn, these elasticity values will be used to establish movement-specific N-Values for the non-grain commodities. Dr. Burton's non-grain work measures commodity flows on a point-to-point basis. However, because of the distributed nature of grain production, the statistical estimation process used for non-grain was not appropriate for grain movements. Dr. Burton's treatment of grain, therefore, was theoretically based. The demand elasticity for grain is still under review based on information provided by industry earlier this month. There has been dialogue between technical experts from the Corps and industry as part of the review process. Upon completion of this review, the Corps will decide on appropriate input value(s) to use for the grain commodities. The study team will then move forward with the plan formulation process. Mr. Rhodes reminded the attendees that MG Anderson, Commander of the Corps' Mississippi Valley Division, made a decision last year to step back and take a hard look at our economic analysis approach to make sure it was reasonable and defensible. As part of that process, we had a data call out to the public and interested parties to help us through that process. These current efforts are part of that process which will strengthen our formulation process and quality of our decision document. When this technical review is complete, Rock Island District will make a recommendation to the Mississippi Valley Division for a decision to proceed.

In response to Michael Lester, Wisconsin Department of Agriculture, Mr. Rhodes stated that the elasticity information would be available to the GLC members prior to the July/August 1999 public workshops. Gary Clark, Illinois Department of Natural Resources, initiated discussion on the merits of an Economics Coordinating Committee (ECC) meeting to discuss this information and process prior to the public workshops. The Corps will work this with the ECC membership for the June 1999 timeframe. Mr. Brescia noted that his understanding from discussions with industry is that agricultural chemicals tend to be more inelastic.

Mr. Manguno made the following general remarks to set the stage for understanding formulation considerations based on preliminary economic model runs: improvements on the Upper Mississippi River (UMR) do not have significant implications for traffic levels or delays on the Illinois Waterway (IWW) and vice versa; need to package improvements at least on the five lower sites of the UMR to meet the need of delay reduction from a system perspective; similar packaging of multiple locations upstream of Lock & Dam 20 are also likely based on the upstream progression of delays when improvements at the lower five sites are made and locations where commodities enter the inland navigation system; and, the open pass conditions at Peoria and La Grange reduce the benefit potential associated with large capital improvements at those locations on the IWW. Mr. Manguno acknowledges that delays at Peoria and La Grange can grow while the wicket gates are up; however, this condition is accounted for in the analysis.

Jerry Vineyard, Missouri Department of Natural Resources, has heard about interest in container movements, which he has seen on the Ohio River and Lower Mississippi River. After some discussion among attendees, the sense was that there may be some limited use outside of the study area and test cases going on, but there are no clear trends to suggest that this will influence the navigation study analysis.

DRAFT

CEMVR-PM-M

SUBJECT: Upper Mississippi River – Illinois Waterway System Navigation Study, Governors' Liaison Committee (GLC) Meeting, 18 May 1999

6. Mr. Barr gave a status of the Environmental Work Group efforts regarding sample physical effects and biological response model runs to help familiarize the attendees with the type of information the study team will work with during 1999 formulation efforts. The input to these model runs include an estimate from the economic model runs of the number of tows transiting each pool over time from a specific alternative plan. Presentation areas included: shear force distributions and how they vary at different locations in the river regime; scour probability and location in regard to potential for mussel bed impacts; larval and adult fish mortality impacts with increases in traffic level; for plant impacts, any change in biomass of 5 percent or less from the model runs will not be a noticeable change in the field; and, after potential environmental consequences are assessed, avoid, minimize, and mitigation strategies will be developed to achieve a balanced plan that is consistent with protecting the Nation's environment.

Mr. Brescia indicated that as the formulation continues and the Corps comes out to the public to present evaluations and receive input, he wants to be able to understand the various consequences and what is their magnitude in view of the overall picture in answering the "so what" question. Mark Beorkrem, Sierra Club, expressed his continued concern over what he views as a lack of data and large uncertainties in the findings of the system environmental analysis. Mr. Moe is interested in the documentation we will have on fish assemblages, comparing the lower and upper river reaches and related consequences from potential improvements. Gretchen Benjamin, Wisconsin Department of Natural Resources, pointed out her concern that the fish model analyzes on an annual basis and does not carry that consequence as a starting point variable for the next year of analysis. Mr. Barr indicated that, early in the study, population level modeling was considered, but it was determined that the Upper Mississippi River lacked adequate fish population (stock) data to use this approach.

Mr. Moe expressed his concern over an early draft of the navigation study's cumulative impacts report. He indicated that the Habitat Needs Assessment (HNA) was keying off of this work and he was concerned that using this document may not provide an appropriate basis for the HNA. He stated that the effort should be improved as part of the navigation study efforts instead of possibly at a future time with Environmental Management Program resources. He anticipated discussing this further at the Environmental Management Program Coordinating Committee meeting on 20 May 1999. Mr. Barr indicated that the cumulative impacts report was still under review, and that it uses the best available information to provide a context for the navigation study.

Ellen Fisher, Wisconsin Department of Transportation, asked for clarification on coming up with costs associated with system environmental consequences. Ken indicated the team will use the physical effects and biological response models with professional judgment and interpretation to assess environmental consequences. Compensatory costs will then be estimated for these consequences, which will then be used to gage and develop an adequate mitigation plan. Mr. Moe stated this discussion sounds like one may believe there can be an engineering solution for these potential consequences, which may not always be the case. Mr. Barr clarified that as part of the formulation and mitigation planning, the Corps will look at appropriate avoid and minimize measures. If the Corps determines that there is an unacceptable loss associated with a feature of an alternative plan, then adjustments would be necessary to ensure a recommended plan that is consistent with protecting the Nation's environment. Mr. Rhodes stressed the point that system environmental impacts will be part of our plan formulation efforts in identifying a National Economic Development Plan, as well as a Recommended Plan from which to base our draft Feasibility Report and Draft Environmental Impact Statement.

DRAFT

CEMVR-PM-M

SUBJECT: Upper Mississippi River – Illinois Waterway System Navigation Study, Governors' Liaison Committee (GLC) Meeting, 18 May 1999

7. Mr. Loss concluded the presentations with a discussion of what's to come in regards to alternative evaluations, public workshops, and GLC meetings. The public workshops will be held at the following seven cities:

July 26	St. Louis, MO
July 27	Quincy, IL
July 28	Peoria, IL
July 29	Bettendorf, IA
August 3	Des Moines, IA
August 4	La Crosse, WI
August 5	Inver Grove Heights, MN

Mr. Loss indicated that the team will continue plan formulation activities through and beyond the public workshops. As the information becomes available, the study team will work on updating the presentation to make it up-to-date, precise, and clear for the workshops. The individual state briefings in Illinois and Wisconsin went well. We would be going to Iowa on 10 June, and our offer was still open to Minnesota and Missouri. Mr. Lester expressed appreciation to the study team for the April Wisconsin presentation, and thought it was a clear presentation and offered a good exchange. Mr. Johnson indicated that Minnesota was still interested, as did Mr. Vineyard for Missouri. Mr. Clark indicated that Illinois may be interested in another briefing prior to the public workshops when more information on alternative evaluations becomes available.

Jim Hall asked if the Mississippi River Commission (MRC) would get involved in the decision-making process for the Navigation Study. Mr. Rhodes stated that he expects the MRC will not be involved since they traditionally act on the Mississippi River and Tributaries efforts. However, Mr. Rhodes indicated that MRC has authority to get involved if they so choose.

8. Mr. Rhodes asked if the GLC members or any attendees had additional questions or comments. Having none, the meeting adjourned.

3 Encls

DAVID A. TIPPLE, P.E.
Project Management Branch